

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 FAA-00 DOTE-00 CIAE-00 INR-07

NSAE-00 CAB-02 DODE-00 /029 W

-----201233Z 100263 /40

R 200947Z MAY 77

FM AMEMBASSY VIENNA

TO USDOC WASHDC

INFO SECSTATE WASHDC 1807

AMEMBASSY BRUSSELS

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COMMERCE FOR MEPD

BRUSSELS FOR FAA/PETERSON

E.O. 11652: N/A

TAGS: BEXP, EIR, AU

SUBJECT: MAJOR PROJECT: JOINT CIVIL/MILITARY AUTOMATED AIR  
TRAFFIC CONTROL SYSTEM

REF: VIENNA 3193 AND PREVIOUS

1. EMBASSY RECEIVED CALL MAY 17 FROM JAMES WARD, BRUSSELS  
OFFICE HUGHES AIRCRAFT CO., INQUIRING ON STATUS OF TENDER  
FOR DISPLAY SYSTEM. WARD SAID HE HAD JUST RECEIVED TELEX  
FROM HIS HOME OFFICE ADVISING THAT, ON VASIS USDOC INFORM-

ATION, COMPETITION FOR DISPLAY PORTION OF PROJECT WAS OPEN TO  
ALL BIDDERS. HE WANTED TO KNOW IF HE SHOULD COME TO VIENNA  
TO PICK UP BID DOCUMENTS. EMBOFF ADVISED WARD THAT,  
CONSIDERING NEGATIVE RESULTS OF PREVIOUS EFFORTS BY HUGHES  
AND ADVANCED STAGE OF BIDDING PROCEDURE, IT APPEARED UNLIKELY  
THAT HUGHES WOULD NOW BE PERMITTED TO OBTAIN DOCUMENTS AND  
SUBMIT OFFER.

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2. FYI. IN APPROXIMATELY 1966, ACCORDING TO WARD, HUGHES  
SPENT ABOUT \$100,000 TO PREPARE ENVIRONMENTAL STUDY FOR  
ATC SYSTEM IN HOPE OF OBTAINING CONTRACT FOR ENTIRE PROJECT.  
STUDY WAS TURNED OVER TO AUSTRIAN MILITARY AUTHORITIES  
FOR VERY NOMINAL PRICE, RESULTING IN LOSS FOR HUGHES.  
THIS STUDY REPORTEDLY IS STILL BEING USED BY COL  
OTHMAR TAUSCHITZ, CHIEF OF AR FORCE STAFF, AS HIS

BIBLE ON THE PROJECT. IN LATE 1975, HOWEVER, HUGHES ADVISED TAUSCHITZ THAT FIRM WOULD NOT BE SUBMITTING BIDS FOR TWO RADAR EQUIPMENT PORTIONS BECAUSE IT FELT IT WAS NOT COMPETITIVE. THIS APPARENTLY WAS DIS-

APPOINTMENT FOR TAUSCHITZ AND, ACCORDING TO WARD, MAY HAVE RESULTED IN ILL FEELING TOWARDS HUGHES. IN MARCH 1977, DURING VISIT TO VIENNA HUGHES REPS, WERE TOLD BY TANSCHITZ THAT FIRM WAS FOUND TO BE QUOTE NON-COMPLIANT UNQUOTE (I.E., HAD NO OFFICE OR REP IN AUSTRIA NOR WORKING IN COUNTRY) AND THEREFORE WAS NOT ELIGILBE TO SUBMIT OFFER ON DISPLAY UNITS. END FYI.

3. HUGHES IS NOW INTERESTED IN SUBMITTING OFFER ON COMPUTER COMPLEX (BID DEADLINE: SEPT 5) AND MAY PURCHASE BUD DOCUMENTS.

4. COMMENT: U.S. FIRMS SHOULD NOT AT THIS STAGE VE ADVISED THAT ENDER FOR DISPLAY SYSTEM IS OPEN TO ALL BIDDERS. AS REPROTED IN VIENNA 2664 AND 3193, FIRMS ALREADY PRE-QUALIFIED WERE INVITED TO SUBMIT OFFERS. AT THIS TIME, ONLYTWO U.S. FIRMS, RAYTHEON AND ITT, WERE AMONG ORIGINAL EIGHT INVITED. SINCE THEN, EMBASSSY HAS BEEN SUCCESS-

FUL IN HAVING THREE ADDITIONAL INTERESTED U.S. FIRMS ACCEPTED: BURROUGHS, GENERAL DYNAMICS, AND , VERY RECENTLY, AIL DIVISION OF CURLER-HAMMER (THESE FOR CIVILIAN DISPLAY UNITS ONLY). TALLY, THEREFORE,

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INCLUDES FIVE U.S. FIRSS IN TOTAL OF ELEVEN POSSIBLE BIDDERS. WE SEE LITTLE POSSIBILITY OF HAVING ANYMORE U.S. FIRMS ACCEPTED AT THIS STAGE. BID DOCUMENTS ARE, HOWEVER, STILL AVAILABLE FOR COMPUTER COMPLEX AT COST OF AS 2,000, AND COMPETITION IS OPEN TO ALL FIRMS. (SEE VIENNA 3416.) MEEHAN

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ELECTRONIC EQUIPMENT, PROPOSALS (BID), AIR TRAFFIC CONTROL  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Enclosure:** n/a  
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**Errors:** N/A  
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**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 77 VIENNA 3193  
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**Review Markings:**  
Margaret P. Grafeld  
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22 May 2009  
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